

INFORMATION REPORT

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CONFIDENTIAL

COUNTRY Austria/USSR

SUBJECT Developments in the Soviet Oil Administration (SMV)

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DATE OF INFO. 11 - 22 May 1950

25X1X

SUPPLEMENT TO 25X1A

Inspection of SMV officials

1. A high-ranking Soviet inspector has just arrived from Moscow for a four weeks visit in Vienna. SMV employees have learned that he will inspect the work of various SMV officials and that he has already fired the director of the Nova-Denow refinery. It is rumored that this inspector is an Oberkommissar, has the rank of a general, and may be a member of the Supreme Soviet.

Soviet-made Pipe

2. During recent weeks Kusin, Soviet director of the SMV Purchasing Office, has become increasingly disturbed by the fact that portions of pipe shipments received from the Soviet Union and the Satellites have been removed en route to Vienna. Kusin believes all freight traffic in transit through both Hungary and Czechoslovakia is supervised by Soviet officers and consequently he intends to protest this loss of SMV property to the top transportation office in Moscow.
3. At the request of the SMV Purchasing Office, the Vienna Technische Hochschule is now carrying out tests to determine the strength of the oil well pipe, particularly 2, 2.5 and 3-inch ascending pipe (Steigrohre), which the SMV has received from the Soviet Union during the past month.

SMV Imports

4. The following import shipments arrived at the SMV Central Warehouse in Neusiedl a/d Zaya during the period from 8 through 22 May 1950:

49 carloads containing 973,565 kilograms of iron pipe from Chrompik, Nikopol, Taganrog, and Kuibyshev Sartana, USSR. Most of these shipments came from Chrompik.

1 carload containing 15,740 kilograms of pipe from Budapest (Csepel), Hungary.

1 carload containing 25,040 kilograms of pipe from Metall Import Trust, Zurich. This shipment was delivered directly to Matzen.

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By: 025

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3 carloads of drilling equipment, weighing a total of 65,980 kilograms, from Schweiz Metall Import Trust, Zurich, Switzerland.

1 carload containing 268 pairs of fittings from Poldihuette, Kladno, Czechoslovakia.

38 crates of ball bearings, weighing a total of 2,502 kilograms, from Stanko Import, Moscow.

SMV Refining

5. The SMV is still enlarging the Nova-Denow refinery where a second cracking plant is now under construction. In the past two weeks the SMV has purchased 111,000 schillings worth of angle and U-iron from several Austrian ironware dealers for this new installation. (1)

Shipment of Petroleum Products to the USSR

6. The SMV is now despatching two trains, each composed of 50 to 60 railroad tank carloads of petroleum products, daily from the Wifo-Lobau storage depot to the Soviet Union. (2) According to Ludwig, an employee of the Austrian Federal Railways at the Wifo-Lobau depot, most of these trains are bound for the Stalino Tank Factory, which is said to be one of the largest in the USSR. Ludwig believes that most of the pipe which the SMV has received from the Soviet Union during recent weeks was manufactured at the Stalino plant.

Recent Purchases

7. During the week of 4 - 11 May 1950 the SMV Purchasing Office made cash payments for the following purchases:

<u>Firm</u>	<u>Item</u>	<u>Payment in Schillings</u>
Industriegaswerk R. Veselinov & Co.	Gas and oxygen	2,502.30
Liges Warenhandels G.m.b.H. and other Vienna firms	Angle iron	11,048.68
"Semperit" Gummiwerke A.G. and Walter Weiland	Rubber boots, gloves	6,216.00
Anton Rohrhofer	Transportation charges	5,000.00
Two Vienna firms	U-iron	2,635.60
Indra (3)	Swab rubber	1,408.00
Regional, Grosshandel R. Taichner & Co. and other Vienna firms	Electrical material	15,838.98
Johann Haselgruber	Angle and U-iron	9,482.20
A. & R. Hinteregger	Automobile spare parts	2,511.00
Hans Gasser and Richard Klinger A.G.	Klingerit brake platforms	4,222.00
Otto Schmid	Pendulum roller bearings	3,488.00
Holzbaupwerk Franz Havlicek	Wood	3,533.20
Boehler Gebrüder & Co. A.G. (4)	Steel	906.40
SMV G.m.b.H.	Ball bearings	4,514.07

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<u>Firm</u>	<u>Item</u>	<u>Payment in Schillings</u>
Guido Ritzgers Kndt.-Ges.	Impregnating work	13,349.53
Schoeller-Bleckmann	Steel	6,803.60
Ing. Ferd. Fichler	Armatures	5,954.80
"Standard" Ges. fuer Techn. Artikel	Fan belts	9,579.41
Friedrich Wiebe	Manometer	2,838.80
Kellner & Kunz Kndt.-Ges.	Tools	32,508.76
Ing. J. Jasper, Autover- sorgung u. Materialien, Gebisfelde, Kr. Gasdelegan	Gleissbettenpolster (sic)	15,936.80
Wiener Kabel u. Metallwerke A.G. (4) Cable		1,469.30
Friedrich Weichmann's Nach- folger (4)	Floodlights	2,216.76
Leudloff-Vamag A.G. (4)	Valve rods	5,570.00
Donau-Chemie A.G. (4)	Sulfuric acid	50,000.00
Sichteremann Draht- und Kabel- werk G.m.b.H. (4)	Cable	8,115.84
Schmidhütte Krems (4)	Sheet metal	13,567.32
J. Megerle (4)	Paint	2,911.96

8. During the week of 15 May 1950 the SMV Purchasing Office made cash pay-
ments for the following purchases:

<u>Firm</u>	<u>Item</u>	<u>Payment in Schillings</u>
Anton Mach, Siegersdorfer Cable- und Kabelfabrik Pottendorf, Lower Austria	Cable	2,250.00
Draht- u. Drahtwaren Handels G.m.b.H.	Cable	44,134.05
M. Rehner & Co.	Wire	5,100.00
AGA-Werke A.G.	Gas	34,712.71
Juschweseschtrans	Transportation charges	41,272.00
"Canada" Tiefbohrgeräte und Maschinenfabrik G.m.b.H.	Casing heads	21,150.00
	Swab rubber	3,100.00
Donau-Chemie A. G. (4)	Sulfuric acid	100,000.00
"Chemia" Chemikalien G.m.b.H.	Hydrochloric acid from Hungary	4,554.08
" " "	Caustic soda	55,000.00

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Firm	Item	Payment in Schillingen
Marschner (5)	Ball bearings	19,724.80
Bunzl & Blach A.G.	Industrial crepe	8,420.00
Friedrich Wiebe	Welding wire	6,539.65
Kellner & Kunz Kndt. Ges.	Tools	2,643.96
K. J. Baldauf	Building material	185,580.00
"Standard" Ges. fuer Techn. Artikel	Fan belts	19,406.45
Various Vienna firms	Work clothing	14,154.00
Peter Petersen	Awnings	1,250.00
Oesterreichische Armaturen G.m.b.H.	Slide valves	21,189.00
Eisen- und Stahl A.G. (4)	Steel Angle iron	111,839.25 2,613.55
Mannesmann-Trauzl A.G. (4)	Drill rods	231,509.73
Ing. Theodor Petrina (4)	Heavy spar	44,181.98
Teudloff-Wanag A.G. (4)	Casing heads and slide valves	400,000.00
Friedrich Weichmann's Nachf. G.m.b.H. (4)	Floodlights	2,216.00
USIA	Sleeves	4,181.30
Kapsch & Söhne A.G., Josef Altschul, and other firms	Electrical material	40,255.77
Hutter & Schrantz A.G.	Screen	3,165.00
Ebenseer Solvay Werke	Caustic soda	55,385.77
Wiener Kabel u. Metallwerke A.G. (4)	Cable	130,409.04
Ceram G.m.b.H. (4)	Electric light bulbs	7,511.70
Schmidmutter Krems (4)	Sheet metal	17,625.36
USIA	Pine from Hungary	91,710.46
Sichtermann Draht- und Kabelwerke G.m.b.H. (4)	Cable	44,394.34
Holzbauwerk Franz Havlicek	Wood	1,737.00
Erzlegg Montanwerke G.m.b.H.	Heavy spar	15,921.00
Dipl.-Ing. Bela Frank Planschenfabrik	Flanges	2,294.60

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SMV Purchasing Office

9. In recent weeks the SMV has enlarged its Purchasing Office staff. For example, Kusun, director of this office, now has two deputies, Frollov and Shvetzov. Frollov arrived in Vienna from the USSR only a short time ago and it is not yet known what his new assignment will be. Shvetzov is slated to control SMV purchases from Vienna firms, although at the present time he is primarily concerned with procurement of pipe from the Soviet Union and the collection of scrap now held by various SMV enterprises. (6) Erike and Thierd, former employees of USIA's Central Commercial Bureau, have been assigned to the Konjunktur Section of the Purchasing Office. Thierd is doing world market research for the SMV. (7) Kacerovsky has lost most of the authority he originally had as Mittelmann's successor and now handles only chemical purchases.

SMV Personnel

10. Austrian Communist Party (KPOe) functionaries have assumed an increasing amount of authority over SMV personnel. Two KPOe personnel officers, Pfeleger and Schober, are now in charge of recruiting workers for both USIA and SMV enterprises. SMV employees feel that the KPOe has more influence than many SMV officials. In this connection they have noted with some curiosity that the SMV has just purchased 120 200-liter barrels from the KPOe Central Committee.
11. During the past three weeks Engr. Fischer and another German engineer, both employees of the SMV Karandage Section, which supervises exploratory drilling projects in which the Schlumberger process is used, have been under close surveillance by KVD agents. These men allegedly worked in the Zistersdorf fields during the Nazi regime and later, in 1945, furnished the Soviets with German maps of the Austrian oil field areas. There is considerable speculation as to the fate of Fischer and his colleague, particularly since none of the new drillings which they have supervised have proved successful.

Werkchutz

12. It is reported that a Greek national, one "Negus", now commands Werkchutz units assigned to SMV installations. "Negus" allegedly was an outstanding fighter during the Spanish Civil War.

- (1) 25X1A [REDACTED] 25X1A
Comment: [REDACTED] previous reports in this series.
- (2) 25X1A [REDACTED] 25X1X
Comment: [REDACTED] the Soviets recently repaired the Wido-Loban depot which now has a capacity for storing an estimated 50,000 tons of petroleum products and is reported to be bomb-proof.
- (3) 25X1A [REDACTED]
Comment: Indra cannot be accurately identified in the 1950 Industrie or Handels Compasses or the 1949 Vienna telephone directory.
- (4) 25X1A [REDACTED]
Comment: Firms marked with No. 4 are USIA-controlled.
- (5) 25X1A [REDACTED]
Comment: Marschner cannot be identified in available reference material.
- (6) 25X1A [REDACTED]
Comment: [REDACTED] previous report on SMV scrap shipments to the GDR.
- (7) 25X1A [REDACTED]
Comment: Erike and Thierd are undoubtedly identical with Herike and Thierd who were mentioned in this same connection by another usually reliable source in [REDACTED] 25X1A

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